

EXHIBIT No. 1

Kevin Amadio

From: Kevin Amadio [vze2xg3d@verizon.net]
Sent: Wednesday, April 04, 2007 11:13 AM
To: 'John Shields'; 'VPetrone@loganllc.com'; 'p.cottrell@tighecottrell.com'
Cc: 'dlogan@loganllc.com'; 'James S Green'; 'p.mcgrory@tighecottrell.com'
Subject: RLI v IRSD

Dear Counsel:

Here is my summary of what we discussed in this morning's conference call:

- Deposition schedule: we scheduled these depositions, all at Jim Green's office – Zimmer 4/16 (11AM); RLI underwriter 4/18 (10AM); Baldassarre 4/26 (11AM); McDaniel 5/1 (10AM); Hasting 5/2 (10AM); Dwyer 5/9 (10AM); Allen & Shariff 5/22 (10AM); McCone 5/30 (8AM for four hours); McCone 5/31 (8AM for four hours)
- Since Chris McCone is overseas, counsel must give Vicky their exhibits for his deposition by 5/14 so she can get them to Chris before his deposition. Since he most likely won't be back for trial, his deposition will be videotaped at his end.
- We are trying to schedule two-day mediation in June. We are each available the week of June 11th and June 28 and 29. I will contact Pat Coughlin and John Wolf to see if they are available any of our dates. BMG agrees to mediate. EDIS, RLI and IRSD favor the mediation, but have not yet committed to it. By April 9th, we all hope to have definite answers from our clients on the mediation.
- We will ask the judge to extend the schedule to permit completion of fact depositions by May 31, plaintiff's expert reports by July 31, defendants' expert reports by August 31, and dispositive motions by September 28. We will suggest to the judge that the PT conference be moved from 9/6 to early December, 2007.
- We will have another conference call to finalize the schedule on April 9th at 3PM. I will arrange the call.
- If I missed anything important, please feel free to supplement this summary.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

Kevin Amadio

From: Kevin Amadio [kamadio@venzie.com]
Sent: Monday, April 16, 2007 11:58 AM
To: 'Paul Cottrell'
Cc: 'Wendy Simpson'
Subject: RE: RLI v IRSD 6981

Per my 4/4 email to all counsel:

- We will ask the judge to extend the schedule to permit completion of fact depositions by May 31, plaintiff's expert reports by July 31, defendants' expert reports by August 31, and dispositive motions by September 28. We will suggest to the judge that the PT conference be moved from 9/6 to early December, 2007.

Since we are now moving Chris McCone to 6/6, the completion of fact depositions should be by that date.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

From: Paul Cottrell [mailto:p.cottrell@tighecottrell.com]
Sent: Monday, April 16, 2007 11:43 AM
To: Kevin Amadio
Cc: Wendy Simpson
Subject: RLI v IRSD 6981

Kevin,

I can't recall what was suggested for the Scheduling Order extension. I attach the current Scheduling Order and the Order as to the Pretrial Conference. Please email back suggested dates to revise to both Wendy and me and I will ask Wendy to do the Motion to Revise the Rule 16 Scheduling Order with an attached proposed Order we can all stipulate to (as per Par. 8 of the attached Scheduling Order).

Regards,
Paul

Paul Cottrell, Esq.
Tighe & Cottrell, P.A.
704 North King Street
Suite 500
Wilmington, DE 19801

302-658-6400 x12
302-658-9836 Fax

This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized person. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 302-658-6400 so that our address records can be corrected.

----- Original Message -----

From: Kevin Amadio
To: 'Paul Cottrell' ; 'John Shields' ; 'Victoria Petrone'
Cc: 'Patrick McGrory' ; 'Michael Acosta'
Sent: Monday, April 16, 2007 10:22 AM
Subject: RE: RLI v IRSD

Yes. The operator will call you at 11AM; there is no call in number

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

From: Paul Cottrell [mailto:p.cottrell@tighecottrell.com]
Sent: Monday, April 16, 2007 9:52 AM
To: kamadio@venzie.com; 'John Shields'; 'Victoria Petrone'
Cc: 'Patrick McGrory'; 'Michael Acosta'
Subject: Re: RLI v IRSD

I am available. Can you set up the call?

Paul Cottrell, Esq.
Tighe & Cottrell, P.A.
704 North King Street
Suite 500
Wilmington, DE 19801
302-658-6400 x12
302-658-9836 Fax

This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized person. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 302-658-6400 so that our address records can be corrected.

----- Original Message -----

From: Kevin Amadio
To: 'John Shields' ; 'Victoria Petrone' ; 'Paul Cottrell'
Cc: 'Patrick McGrory' ; 'Michael Acosta'
Sent: Monday, April 16, 2007 9:03 AM
Subject: RLI v IRSD

Since today's deposition has been postponed due to the weather, can we have a conference call this morning at 11 AM to discuss the various changes to the schedule?

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

Kevin Amadio

From: Victoria Petrone [VPetrone@loganllc.com]
Sent: Tuesday, April 17, 2007 10:11 AM
To: kamadio@venzie.com; John Shields; Paul Cottrell; Patrick McGrory
Cc: Donald Logan
Subject: RE: RLI v IRSD

All: confirming that Chris McCone is available June 4 and 5 for his deposition, running each day from 8:00 am to 12:00 our time.

From: Kevin Amadio [mailto:vze2xg3d@verizon.net]
Sent: Monday, April 16, 2007 1:07 PM
To: 'John Shields'; Victoria Petrone; 'Paul Cottrell'
Subject: RLI v IRSD

I have the formal authorization from the IRSD for the mediation; so I will confirm the date with the mediator.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

Kevin Amadio

From: Victoria Petrone [VPetrone@loganllc.com]
Sent: Thursday, May 17, 2007 10:54 AM
To: jshields@hrblackburn.com; hblackburn@hrblackburn.com; kamadio@venzie.com;
p.cottrell@tighecottrell.com; Patrick McGrory
Cc: Donald Logan
Subject: Chris McCone Deposition

Gentlemen: we are finalizing the arrangements for the deposition of Chris McCone, which has proven to be quite an undertaking. The deposition is estimated to cost around \$15,000.00. I recently discussed with John Shields the fact that the defendants also want to question Chris and suggested that RLI take the first scheduled day and the defendants could take the second day. Since this deposition will constitute Chris's trial testimony we also have to decide how we are going to organize the questioning in terms of background questions, cross examination, etc. I have not received a response yet, but on the basis of splitting the time, I suggest that RLI pay for half of the costs and the defendants cumulatively pay the other half.

Please let me have your thoughts on this. I will not finalize the deposition until we have reached an agreement regarding payment. Deposits are going to be required shortly so please get back to me as soon as possible.

Victoria K. Petrone, Esquire
Logan & Associates, LLC
One Customs House, Suite 100
704 N. King Street, P.O. Box 89
Wilmington, DE 19899
p: 302.655.8000
f: 302.655.8005

EXHIBIT No. 2

Kevin Amadio

From: Kevin Amadio [vze2xg3d@verizon.net]
Sent: Thursday, May 10, 2007 8:57 AM
To: Harry Blackburn
Cc: 'jshields@hrblackburn.com'; 'VPetrone@loganllc.com'; 'p.cottrell@tighecottrell.com'; 'Patrick McGrory'
Subject: RLI v IRSD

Harry: you mentioned recently that you were fairly certain that RLI would not need to take Mr. McCone's discovery deposition. Have you come to a final decision in that regard?

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

EXHIBIT No. 3

Kevin Amadio

From: Kevin Amadio [kamadio@venzie.com]
Sent: Thursday, May 17, 2007 12:01 PM
To: 'Victoria Petrone'; 'jshields@hrblackburn.com'; 'hblackburn@hrblackburn.com'; 'p.cottrell@tighecottrell.com'; 'Patrick McGrory'
Cc: 'Donald Logan'
Subject: RE: Chris McCone Deposition

I agree with Vicky's suggestions. The only alternative I see would be, if RLI decides that it does not need Mr. McCone's deposition for discovery purposes, that we agree to take his trial testimony at a later date, after the deposition cut-off and the mediation, but before trial. By deferring Mr. McCone's testimony to that later time, we can all save the expense if the mediation is successful, and in any event be better prepared for a trial-level examination.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

From: Victoria Petrone [mailto:VPetrone@loganllc.com]
Sent: Thursday, May 17, 2007 10:54 AM
To: jshields@hrblackburn.com; hblackburn@hrblackburn.com; kamadio@venzie.com; p.cottrell@tighecottrell.com; Patrick McGrory
Cc: Donald Logan
Subject: Chris McCone Deposition

Gentlemen: we are finalizing the arrangements for the deposition of Chris McCone, which has proven to be quite an undertaking. The deposition is estimated to cost around \$15,000.00. I recently discussed with John Shields the fact that the defendants also want to question Chris and suggested that RLI take the first scheduled day and the defendants could take the second day. Since this deposition will constitute Chris's trial testimony we also have to decide how we are going to organize the questioning in terms of background questions, cross examination, etc. I have not received a response yet, but on the basis of splitting the time, I suggest that RLI pay for half of the costs and the defendants cumulatively pay the other half.

Please let me have your thoughts on this. I will not finalize the deposition until we have reached an agreement regarding payment. Deposits are going to be required shortly so please get back to me as soon as possible.

Victoria K. Petrone, Esquire
Logan & Associates, LLC
One Customs House, Suite 100
704 N. King Street, P.O. Box 89
Wilmington, DE 19899
p: 302.655.8000
f: 302.655.8005

EXHIBIT No. 4

Kevin Amadio

From: John Shields [JShields@hrblackburn.com]
Sent: Thursday, May 17, 2007 4:04 PM
To: VPetrone@loganllc.com; p.cottrell@tighecottrell.com; p.mcgrory@tighecottrell.com; kamadio@venzie.com
Cc: DLogan@loganllc.com
Subject: RE: Chris McCone Deposition

I agree with Kevin's suggestion. We will forego the discovery deposition of Mr. McCone. If mediation is unsuccessful, we can reschedule him. What do the rest of you think?

John E. Shields, Jr., Esquire
Harry R. Blackburn & Associates
215-985-0123 ext. 112

Via Email

This email transmission contains information from the law firm of Harry R. Blackburn & Associates which is confidential and/or legally privileged. The information is intended only for the use of the individual or entity to whom this email is addressed. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this emailed information or any attachments thereto is strictly prohibited.

In this regard, if you have received this email in error, please notify us by telephone immediately.

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or matter addressed herein.

EXHIBIT No. 5

Kevin Amadio

From: Kevin Amadio [kamadio@venzie.com]
Sent: Friday, May 18, 2007 8:26 AM
To: 'Victoria Petrone'; 'jshields@hrblackburn.com'; 'hblackburn@hrblackburn.com'; 'p.cottrell@tighecottrell.com'; 'Patrick McGrory'; 'Donald Logan'; 'James S Green'
Subject: RE: Chris McCone Deposition

This will confirm that in our conference call this morning we agreed that we will cancel Chris McCone's discovery deposition. All counsel have agreed that if the mediation is unsuccessful, we will take his trial testimony at a later date, after the deposition cut-off and the mediation, but before trial.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

From: Kevin Amadio [mailto:kamadio@venzie.com]
Sent: Thursday, May 17, 2007 12:01 PM
To: 'Victoria Petrone'; 'jshields@hrblackburn.com'; 'hblackburn@hrblackburn.com'; 'p.cottrell@tighecottrell.com'; 'Patrick McGrory'
Cc: 'Donald Logan'
Subject: RE: Chris McCone Deposition

I agree with Vicky's suggestions. The only alternative I see would be, if RLI decides that it does not need Mr. McCone's deposition for discovery purposes, that we agree to take his trial testimony at a later date, after the deposition cut-off and the mediation, but before trial. By deferring Mr. McCone's testimony to that later time, we can all save the expense if the mediation is successful, and in any event be better prepared for a trial-level examination.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

From: Victoria Petrone [mailto:VPetrone@loganllc.com]
Sent: Thursday, May 17, 2007 10:54 AM
To: jshields@hrblackburn.com; hblackburn@hrblackburn.com; kamadio@venzie.com; p.cottrell@tighecottrell.com; Patrick

McGrory

Cc: Donald Logan

Subject: Chris McCone Deposition

Gentlemen: we are finalizing the arrangements for the deposition of Chris McCone, which has proven to be quite an undertaking. The deposition is estimated to cost around \$15,000.00. I recently discussed with John Shields the fact that the defendants also want to question Chris and suggested that RLI take the first scheduled day and the defendants could take the second day. Since this deposition will constitute Chris's trial testimony we also have to decide how we are going to organize the questioning in terms of background questions, cross examination, etc. I have not received a response yet, but on the basis of splitting the time, I suggest that RLI pay for half of the costs and the defendants cumulatively pay the other half.

Please let me have your thoughts on this. I will not finalize the deposition until we have reached an agreement regarding payment. Deposits are going to be required shortly so please get back to me as soon as possible.

Victoria K. Petrone, Esquire
Logan & Associates, LLC
One Customs House, Suite 100
704 N. King Street, P.O. Box 89
Wilmington, DE 19899
p: 302.655.8000
f: 302.655.8005

EXHIBIT No. 6

Kevin Amadio

From: Kevin Amadio [kamadio@venzie.com]
Sent: Thursday, November 08, 2007 10:55 AM
To: 'Victoria Petrone'; 'John Shields'
Cc: 'Harry Blackburn'; 'Temp Temp'; 'p.cottrell@tighecottrell.com'; 'Patrick McGrory'; 'Donald Logan'
Subject: RE: RLI v. EDiS, et al

That's good news about Chris. If he is going to be available for trial, we do not need to take his deposition at all. The deposition was to take his trial testimony, not for discovery.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

From: Victoria Petrone [mailto:VPetrone@loganllc.com]
Sent: Thursday, November 08, 2007 10:47 AM
To: John Shields; kamadio@venzie.com
Cc: Harry Blackburn; Temp Temp; p.cottrell@tighecottrell.com; Patrick McGrory; Donald Logan
Subject: RE: RLI v. EDiS, et al

All: I was finally able to track Chris McCone down after several attempts. McCone is en route back to the U.S. and headed to Mississippi. He is expected next week and out of touch until then. As it stands, he is not going back overseas. He expects to be stationed somewhere in the U.S. and possibly close to home. He may be in Delaware over the holidays, but he doesn't yet know if, when or for how long. He also doesn't know how much longer his tour will last; could be 3 months to a year. I hope to know more after next week and will keep you advised. What is the time frame for the deposition?

-----Original Message-----

From: John Shields [mailto:JShields@hrblackburn.com]
Sent: Wednesday, November 07, 2007 1:25 PM
To: kamadio@venzie.com
Cc: Harry Blackburn; Temp Temp; Victoria Petrone; p.cottrell@tighecottrell.com
Subject: RE: RLI v. EDiS, et al

Dear Kevin:

Those dates are fine.

When will we hear from the defense counsel about dates for each of your experts' depositions? Also (to Vickie) where do we stand on the dep of Chris McCone?

John E. Shields, Jr., Esquire
Harry R. Blackburn & Associates
215-985-0123 ext. 112

Via Email

This email transmission contains information from the law firm of Harry R. Blackburn & Associates which is confidential and/or legally privileged. The information is intended only for the use of the individual or entity to whom this email is addressed. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this emailed information or any attachments thereto is strictly prohibited. In this regard, if you have received this email in error, please notify us by telephone immediately.

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Kevin Amadio

From: John Shields [JShields@hrblackburn.com]
Sent: Friday, November 09, 2007 10:24 AM
To: VPetrone@loganllc.com; kamadio@venzie.com
Cc: Harry Blackburn; Temp Temp; p.mcgrory@lawtcl.com; DLogan@loganllc.com;
p.cottrell@tighecottrell.com
Subject: RE: RLI v. EDiS, et al

Dear Kevin:

That is incorrect. We agreed to defer Mr. McCone's discovery deposition until after the mediation given the potential of settlement. We have requested dates for it ever since, and it has never been suggested that we were not entitled to it, just that the logistics were difficult. We would like to set this up as soon as possible.

John E. Shields, Jr., Esquire
Harry R. Blackburn & Associates
215-985-0123 ext. 112

Via Email

This email transmission contains information from the law firm of Harry R. Blackburn & Associates which is confidential and/or legally privileged. The information is intended only for the use of the individual or entity to whom this email is addressed. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this emailed information or any attachments thereto is strictly prohibited.

In this regard, if you have received this email in error, please notify us by telephone immediately.

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Kevin Amadio

From: Kevin Amadio [kamadio@venzie.com]
Sent: Monday, November 12, 2007 9:51 AM
To: 'John Shields'
Cc: 'Harry Blackburn'; 'Temp Temp'; 'VPetrone@loganllc.com'; 'p.mcgrory@lawtcl.com'; 'DLogan@loganllc.com'; 'p.cottrell@tighecottrell.com'
Subject: RE: RLI v. EDiS, et al

John, your recollection is inaccurate. On May 17, 2007, we exchanged this email:

From me:

The only alternative I see would be, if RLI decides that it does not need Mr. McCone's deposition for discovery purposes, that we agree to take his trial testimony at a later date, after the deposition cut-off and the mediation, but before trial. By deferring Mr. McCone's testimony to that later time, we can all save the expense if the mediation is successful, and in any event be better prepared for a trial-level examination.

From you in reply:

I agree with Kevin's suggestion. We will forego the discovery deposition of Mr. McCone. If mediation is unsuccessful, we can reschedule him.

The next day we had a conference call. I confirmed the results to everyone in this email:

This will confirm that in our conference call this morning we agreed that we will cancel Chris McCone's discovery deposition. All counsel have agreed that if the mediation is unsuccessful, we will take his trial testimony at a later date, after the deposition cut-off and the mediation, but before trial.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

-----Original Message-----

From: John Shields [mailto:JShields@hrblackburn.com]
Sent: Friday, November 09, 2007 10:24 AM
To: VPetrone@loganllc.com; kamadio@venzie.com
Cc: Harry Blackburn; Temp Temp; p.mcgrory@lawtcl.com; DLogan@loganllc.com; p.cottrell@tighecottrell.com
Subject: RE: RLI v. EDiS, et al

Dear Kevin:

That is incorrect. We agreed to defer Mr. McCone's discovery deposition until after the mediation given the potential of settlement. We have requested dates for it ever since, and it has never been suggested that we were not entitled to it, just that the logistics were difficult. We would like to set this up as soon as possible.

John E. Shields, Jr., Esquire
Harry R. Blackburn & Associates
215-985-0123 ext. 112


Via Email

This email transmission contains information from the law firm of Harry R. Blackburn & Associates which is confidential and/or legally privileged. The information is intended only for the use of the individual or entity to whom this email is addressed. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this emailed information or any attachments thereto is strictly prohibited.

In this regard, if you have received this email in error, please notify us by telephone immediately.

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Harry R. Blackburn

 Associates, P.C. Attorneys at Law

*John E. Shields, Jr.**

*Of Counsel
Federico Calaf-LeGrand~*

November 14, 2007

**Also Admitted in NJ*

~Admitted Only in PR

Via Electronic Mail

Direct Dial

Ext. 112

email: jshields@hrblackburn.com

Kevin G. Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103

**Re: RLI Insurance Company
v. Indian River School District, et al.
United States District Court for the District of Delaware
Civil Action No. 1:05-cv-00858-JJF
Our File No. 729.004**

Dear Kevin:

I received your message regarding the deposition of Mr. McCone; thank you for your clarification. While you have accurately quoted portions of e-mails we exchanged, I think you may be forgetting the spirit and context of our discussions on this topic, and, if you carefully re-read the emails, your interpretation of it is just that – your interpretation.

Mr. McCone is a key witness in this matter, but was in Kuwait most of this year until recently. Previously, Vickie Petrone informed us that taking his deposition via teleconference was possible, but it would cost approximately \$15,000. Since scheduling posed a challenge due to the time difference, and the parties were shortly entering into mediation, we thought it would be prudent to hold off on the deposition. In light of those factors, we agreed to put Mr. McCone's deposition on hold. If the matter settled, then there would be no need to depose him at all. When that did not happen, we began requesting new dates to depose him, but his counsel, Ms. Petrone, was unable to provide them until recently, as you know. Until your e-mail, no one suggested that we had decided to forego it altogether and, indeed, we have not. In point of fact, we will request Ms. Petrone to produce Mr. McCone for a discovery deposition, as well as a trial deposition for the reasons stated below. Since you are not counsel to EDiS, while I appreciate your comments, they are irrelevant to our request.

Q:\RLI Surety.729\McDaniel.004\Indian River\Ltr\Amadio, K 11-14-07.wpd

1528 Walnut Street, 4th Floor, Philadelphia, Pennsylvania 19102 (215) 985-0123 Fax: (215) 985-0124
208 Kings Highway South, Cherry Hill, New Jersey 08034 (856) 795-5758 Fax: (856) 428-1255
361 San Francisco Street, 4th Floor, San Juan, Puerto Rico 00901 (787) 725-1004
21 West Fee Avenue, Suite D, Melbourne, Florida 32901 (321) 722-0770 Fax: (321) 722-0830

Harry R. Blackburn
& Associates, P.C.

Q:\RLI Surety.729\McDaniel.004\Indian River\Ltr\Amadio, K 11-14-07.wpd

Kevin G. Amadio, Esquire

November 14, 2007

Page 2

Finally, I do not read Ms. Petrone's email to be any guarantee that Mr. McCone will be available to testify at the time of trial, particularly in light of the fact that the trial date has not even been set. If you are confident that his trial testimony to the extent you desire it will be obtainable, you certainly may forego it. As stated, however, we are not willing to take that chance and will proceed further with the deposition.

Very truly yours,


JOHN E. SHIELDS, JR.

JES/erl

cc: **Via Electronic Mail:**
Victoria K. Petrone, Esquire
J. Paul Cottrell, Esquire
James S. Green, Esquire
Perry F. Goldlust, Esquire

Kevin Amadio

From: Kevin Amadio [kamadio@venzie.com]
Sent: Thursday, November 15, 2007 7:44 AM
To: 'John Shields'
Cc: 'pgoldlust@gablawde.com'; 'Harry Blackburn'; 'vpetrone@loganllc.com'; 'jgreen@svglaw.com'; 'p.cottrell@tighecottrell.com'; 'Elsie Louie'; Patrick McGrory
Subject: RE: RLI v. IRSD, et al. - USDC, Dist of DE - #05-cv-00858 (OurFile No. 729.004)

Good Morning, John:

I read your letter and note that you think whatever I say about Mr. McCone's deposition is irrelevant. I think any party can object to discovery since the discovery period has closed. The email exchanged I quoted cannot be interpreted as an agreement to extend the discovery period. In any event, Vicky has not yet told us where Mr. McCone will be stationed. If it's not clear that he will be stationed locally, then we will need to take his trial testimony, as we all agreed.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

-----Original Message-----

From: Elsie Louie [mailto:Attorneys@hrblackburn.com]
Sent: Wednesday, November 14, 2007 6:00 PM
To: kamadio@venzie.com
Cc: pgoldlust@gablawde.com; Harry Blackburn; John Shields; vpetrone@loganllc.com; jgreen@svglaw.com; p.cottrell@tighecottrell.com
Subject: RLI v. IRSD, et al. - USDC, Dist of DE - #05-cv-00858 (OurFile No. 729.004)

Dear Mr. Amadio:

Please find attached Mr. Shields's letter responding to your email with regard to Mr. McCone's deposition. Thank you.

Very truly yours,
Elsie Louie
Harry R. Blackburn & Associates
215-985-0123 x 101

This email transmission contains information from the law firm of Harry R. Blackburn & Associates which is confidential and/or legally privileged. The information is intended only for the use of the individual or entity to whom this email is addressed. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this emailed information or any attachments thereto is strictly prohibited.

In this regard, if you have received this email in error, please notify us by telephone immediately.

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or matter

Kevin Amadio

From: Victoria Petrone [VPetrone@loganllc.com]
Sent: Tuesday, November 20, 2007 11:44 AM
To: John Shields; kamadio@venzie.com
Cc: Harry Blackburn; Temp Temp; p.mcgrory@lawtcl.com; Donald Logan; p.cottrell@tighecottrell.com
Subject: RE: RLI v. EDiS, et al

All: Chris McCone is home for good! He's on leave until 12/9 after which he will be going back to work at EDiS and will be generally available. I will let you know about our experts' availability.

Also, you're using my old email address - please use:
vpetrone@loganllc.com.

Vicky

-----Original Message-----

From: John Shields [mailto:JShields@hrblackburn.com]
Sent: Monday, November 19, 2007 3:42 PM
To: Victoria Petrone; kamadio@venzie.com
Cc: Harry Blackburn; Temp Temp; p.mcgrory@lawtcl.com; Donald Logan; p.cottrell@tighecottrell.com
Subject: RE: RLI v. EDiS, et al

Dear Vickie:

Have you heard from Mr. McCone? Given the uncertainty concerning his future stationing, we would like to schedule this as soon as possible.
Please advise.

Also, I have not heard from any defense counsel regarding dates for your experts' depositions. We previously confirmed that we would bear the associated costs in accordance with the rules. Please advise when these depositions can be scheduled. Thank you.

John E. Shields, Jr., Esquire
Harry R. Blackburn & Associates
215-985-0123 ext. 112

Via Email

This email transmission contains information from the law firm of Harry R. Blackburn & Associates which is confidential and/or legally privileged. The information is intended only for the use of the individual or entity to whom this email is addressed. If you are not the intended recipient, you are hereby notified that any disclosure,

copying, distribution or the taking of any action in reliance on the contents of this emailed information or any attachments thereto is strictly prohibited.

In this regard, if you have received this email in error, please notify us by telephone immediately.

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or matter addressed herein.

EXHIBIT No. 7

Kevin Amadio

From: Victoria Petrone [VPetrone@loganllc.com]
Sent: Monday, January 07, 2008 12:56 PM
To: John Shields; Donald Logan; Paul Cottrell; patrick.mcgrory@tighecottrell.com; Kevin Amadio
Subject: Deposition of Chris McCone


John:

I am writing in response to your phone call of last week in which you sought to schedule the discovery deposition of Chris McCone. You will recall that Mr. McCone's deposition was originally scheduled for two days during the first week of June, 2007 to comply with the discovery cut off date of June 6, 2007. It was set as a trial deposition because Mr. McCone was stationed in Kuwait as part of the U.S. Army Reserves, and at that time, we did not know if Mr. McCone would be returning to the U.S. in time for trial. Kevin Amadio, Esquire, counsel for Indian River, proposed via email on May 17, 2007, that if RLI decided it did not need Mr. McCone's deposition for discovery purposes, the trial deposition could be postponed. RLI agreed. On May 18, 2007, Mr. Amadio confirmed by email a conference call between counsel in which it was agreed that the deposition was cancelled but that the trial deposition of Mr. McCone would be scheduled prior to trial. I did not receive a response to that email, until November, 2007, when the prospect of Mr. McCone's deposition was raised again.

On November 20, 2007, I confirmed that Mr. McCone's tour was ending, he would be back by December 9, 2007 and was not expected to be deployed again. In an exchange of letters between you and Mr. Amadio, Mr. Amadio noted his objection to RLI's efforts to schedule the deposition of Mr. McCone because RLI had elected not to take the discovery deposition, the discovery period had expired (on June 6, 2007) and because his trial deposition was no longer necessary since he will be available for trial. EDiS concurs with Indian River's position. Since Mr. McCone will be available for trial, a trial deposition is unnecessary.

Vicky

Victoria K. Petrone, Esquire
Logan & Associates, LLC
One Corporate Commons, Suite 300
100 W. Commons Boulevard
New Castle, DE 19720
302-325-3555

Harry R. Blackburn
 Associates, P.C. Attorneys at Law

*John E. Shields, Jr. **

January 11, 2008

*Of Counsel
Federico Calaf-LeGrand--*

**Also Admitted in NJ*

--Admitted Only in PR

Via Electronic and First Class Mail

Victoria K. Petrone, Esquire
Logan & Associates, LLC
One Customs House, Suite 100
704 N. King Street, P.O. Box 89
Wilmington, DE 19899

*Direct Dial
Ext. 112
email: jshields@hrblackburn.com*

**Re: RLI Insurance Company v. IRSD, et al.
United States District Court for the District of Delaware
Civil Action No. 1:05-cv-00858-JJF
Our File No. 729.004**

Dear Ms. Petrone:

I must say I was quite disappointed to receive your email message of January 7, 2008 concerning the deposition of Chris McCone.

Initially, your email contained several inaccuracies. You say in the first paragraph that the deposition was set as a trial deposition, but that is incorrect. I believe that if you refer to your own email to counsel in this matter of May 17, 2007, you will see that we sought Mr. McCone's discovery deposition first and, because he was in Kuwait, the defendants later sought to take his trial testimony. On that basis you proposed that RLI have the first day of testimony and the defendants the second. RLI has sought Mr. McCone's discovery deposition from the beginning of this case.

Additionally, in the same paragraph you say that the subject of taking Mr. McCone's deposition was not raised after the initial agreement to adjourn it because of the pending mediation until November, 2007. In fact, I wrote to Donald Logan of your office on July 10, 2007 and referenced in the first paragraph a conversation you and I had in which you indicated that you did not want to produce Mr. McCone for deposition until expert reports had been served. A copy of that letter is attached for your ease of reference. No defense attorney at that time asserted that RLI had elected to dispense with a discovery deposition of Mr. McCone. We also referenced the agreement to take Mr. McCone's deposition following the June 14-15, 2007 mediation in our brief in response to the Joint Motion for Summary Judgment with EDiS and

Q:\RLI Surety.729\McDaniel.004\Indian River\Ltr\Petrone, V 01-11-08.wpd
1528 Walnut Street, 4th Floor, Philadelphia, Pennsylvania 19102 (215) 985-0123 Fax: (215) 985-0124
74 South Main Street, Medford, New Jersey 08055 (856) 795-5758 Fax: (856) 428-1255
361 San Francisco Street, 4th Floor, San Juan, Puerto Rico 00901 (787) 725-1004
21 West Fee Avenue, Suite D, Melbourne, Florida 32901 (321) 722-0770 Fax: (321) 722-0830

Harry R. Blackburn
& Associates, P.C.

Q:\RLI Surety.729\McDaniel.004\Indian River\Ltr\Petrone, V 01-11-08.wpd

Victoria K. Petrone, Esquire

January 11, 2008

Page 2

Becker Morgan Group. In the exchange of correspondence you referenced with Mr. Amadio, we clearly set forth RLI's position that we never had intended nor agreed that Mr. McCone's deposition was waived or that it was limited to a "trial deposition."

I also fail to see how any possible prejudice could be claimed by any defendant, particularly given the posture of the case at present. According to your November 20, 2007 email, Mr. McCone is back in the area and working for EDiS, so the logistics will be same as any other local fact witness, and the trial is more than six months away. Further, Mr. McCone is a central figure in this case, having served as EDiS's project manager for the bulk of the construction of the Sussex Central High School.

I ask that you promptly reconsider your position. By way of a copy of this letter, I am confirming this communication with all defense counsel and advising that we will move to compel Mr. McCone's discovery deposition if you do not agree to produce him voluntarily.

Thank you for your attention to this matter.

Very truly yours,


JOHN E. SHIELDS, JR.

JES/erl

Enclosures

cc: **Via Electronic and First Class Mail:**

Patrick McGrory, Esquire
Kevin G. Amadio, Esquire
James S. Green, Esquire
Timothy E. Winship, Esquire
Harry R. Blackburn, Esquire

Harry R. Blackburn
& Associates, P.C. Attorneys at Law

January 11, 2008

VIA ELECTRONIC MAIL

Victoria K. Petrone, Esquire
LOGAN & ASSOCIATES, LLC
One Customs House, Suite 100
704 N. King Street, P.O. Box 89
Wilmington, DE 19899

Patrick McGrory, Esquire
Paul Cottrell, Esquire
TIGHE & COTTRELL, P.A.
One Customs House, Suite 500
P.O. Box 1031
Wilmington, DE 19899

Kevin G. Amadio, Esquire
VENZIE, PHILLIPS & WARSHAW
2032 Chancellor Street
Philadelphia, PA 19103

James S. Green, Esquire
SEITZ, VAN OGTROP
& GREEN, P.A.
222 Delaware Avenue
Suite 1500
P.O. Box 68
Wilmington, DE 19899

*John E. Shields, Jr. **

*Of Counsel
Federico Calaf-LeGrand-*

**Also Admitted in NJ*

~Admitted Only in PR

*Direct Dial
Ext. 112
email: jshields@hrblackburn.com*

**Re: RLI Insurance Company v. Indian River School District, et al.
U.S. District Court for the District of Delaware
Civil Action No. 1:05-cv-00858-JJF
Our File No. 729.004**

Dear Counsel:

Further to my letter of today's date to Victoria Petrone, Esquire, concerning the deposition of Christian McCone, I write to advise you that RLI is not willing to participate in further mediation of this matter until after the deposition of Chris McCone has been completed. In light thereof, and in consideration of the equities as set forth in my earlier letter to Ms. Petrone, I would ask the defense to re-think its position with respect to this issue.

Please let me hear your responses as soon as possible.

Very truly yours,


JOHN E. SHIELDS, JR.

JES/erl

cc: Timothy E. Winship, Esquire (via electronic mail)
Harry R. Blackburn, Esquire

Q:\RLI Surety.729\McDaniel.004\Indian River\Ltr\All Counsel 01-11-08.wpd
1528 Walnut Street, 4th Floor, Philadelphia, Pennsylvania 19102 (215) 985-0123 Fax: (215) 985-0124
74 South Main Street, Medford, New Jersey 08055 (856) 795-5758 Fax: (856) 428-1255
361 San Francisco Street, 4th Floor, San Juan, Puerto Rico 00901 (787) 725-1004
21 West Fee Avenue, Suite D, Melbourne, Florida 32901 (321) 722-0770 Fax: (321) 722-0830

Kevin Amadio

From: Kevin Amadio [kamadio@venzie.com]
Sent: Thursday, January 17, 2008 10:29 AM
To: 'John Shields'
Cc: 'Harry Blackburn'; 'p.cottrell@tighecottrell.com'; 'vpetrone@loganllc.com'; 'p.mcgrory@tighecottrell.com'; 'Elsie Louie'; 'jgreen@svglaw.com'; 'dlogan@loganllc.com'
Subject: RE: RLI vs. IRSD, et al. - USDC, Dist of DE - 1:05-cv-00858 JJF (Our File No. 729.004)

Good Morning, John:

I am responding to your two letters dated January 11, 2007 concerning deposing Mr. McCone.

I have previously stated my objection and the reasons for it. I maintain that objection for those same reasons. Simply stated, RLI expressly waived its right to take a discovery deposition of Mr. McCone when it announced, just prior to the conclusion of the factual discovery period, that it no longer needed that deposition. The defendants at that time reserved their right to take his trial testimony by deposition at a later date since he was then projected to be in Kuwait through the anticipated trial date. He has now returned from Kuwait and is expected to be available to testify "live" at the trial. No such trial testimony deposition is needed.

Your first 1/11 letter questions what prejudice the defendants can show "given the posture of the case at present." I draw the opposite conclusion from the posture of the case. Allowing a discovery deposition now would prejudice defendants because: (1) by court order, the factual discovery period is closed, and has been, for some months; (2) expert reports are completed (except for RLI's attempt to cure the defects that the court noted in the PCM report); (3) the time for dispositive motions has passed, and three summary judgment motions are pending; (4) a joint pretrial order has been signed by all counsel and submitted to the court for approval; and (5) we have a firm July 21, 2008 trial date.

Your second 1/11 letter threatens to withdraw from the mediation just scheduled at RLI's request if Mr. McCone's deposition does not proceed. I suggest to you that such a tactic is a rather poor way to convince IRSD that RLI has sufficiently re-thought its settlement position as stated at the first mediation to make a second one worthwhile. Rather than defendants' counsel re-thinking their positions regarding Mr. McCone's deposition, I ask that RLI re-think its decision to link continuing the mediation with its demand for a deposition of Mr. McCone.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.

From: Elsie Louie [mailto:elouie@HRBLACKBURN.COM]
Sent: Friday, January 11, 2008 3:27 PM
To: vpetrone@loganllc.com; kamadio@venzie.com; p.mcgrory@tighecottrell.com; jgreen@svglaw.com; p.cottrell@tighecottrell.com
Cc: tim_winship@rlicorp.com; Harry Blackburn; John Shields
Subject: RLI vs. IRSD, et al. - USDC, Dist of DE - 1:05-cv-00858 JJF (Our File No. 729.004)

Dear Counsel: Please find attached a letter from Mr. Shields regarding the issue of Mr. McCone's deposition. Thank you.

Very truly yours,

Elsie R. Louie

HARRY R. BLACKBURN & ASSOCIATES

(215) 985-0123 ext 101

<<All Counsel 01-11-08.pdf>>

Kevin Amadio

From: Kevin Amadio [vze2xg3d@verizon.net]
Sent: Friday, January 25, 2008 10:17 AM
To: 'Harry Blackburn'
Cc: 'John Shields'; 'vpetrone@loganllc.com'; 'dlogan@loganllc.com';
'p.mcgrory@tighecottrell.com'; 'p.cottrell@tighecottrell.com'; 'jgreen@svglaw.com'
Subject: RLI v. IRSD

Good Morning, Harry:

I am responding to your January 24, 2008 letter concerning Mr. McCone's deposition. I'd like to make these points in reply:

- You and I had no discussions at the mediation about Mr. McCone being deposed. I had no discussions with you or your client about any substantive or procedural matter during the mediation. After the initial joint session, the parties were in separate rooms the entire time. All our communications were through the mediator. The mediator never told us anything about RLI wanting Mr. McCone's deposition. He told us that you wanted to open up discovery to obtain emails. After the mediation, RLI filed a motion to do just that, and the court denied the motion.
- Regardless of how important you now claim his testimony to be or how illogical you now say cancelling his discovery deposition may have been, the fact is that RLI waived its right to take the discovery deposition of Mr. McCone in May, 2007. The email exchanges from that time are quite clear on that point. All agreed we would take Mr. McCone's trial testimony by deposition at a later date, closer to trial, because we expected he would still be in Kuwait at the time of trial. He's now back in Wilmington, so he can testify in person at the trial. No trial deposition is needed.
- Discussions after the mediation among counsel about scheduling Mr. McCone's trial deposition do not support your contention that RLI reserved a right to take his discovery deposition.
- Mr. McCone's deposition would be unlikely to provide any new information that would be material to RLI's settlement position. Mr. McCone's communications and actions on this project are well documented. He authored many letters and, as you note, signed McDaniel's payment applications. I'd expect that his testimony will be consistent with the documents he authored.
- Your letter is unclear about whether RLI still intends to back out of the mediation if the defendants maintain their objection to re-opening discovery for Mr. McCone's deposition. Since RLI asked to resume the mediation already knowing that the defendants' counsel had objected to taking Mr. McCone's discovery deposition, I am hoping that the mediation will proceed.
- If RLI does file a motion to compel Mr. McCone's deposition, IRSD reserves all of its rights and defenses to that motion, whether or not stated in this or prior emails, including its right to preserve the confidentiality of the mediation.

K. Gerard Amadio, Esquire
Venzie, Phillips & Warshawer
2032 Chancellor Street
Philadelphia, PA 19103
215.567.3322
215.864.9292 (fax)
267.243.1904 (mobile)

NOTICE: This electronic mail transmission constitutes a legal communication that is confidential and/or privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling 215.567.3322, so that our address records can be corrected.